

## **BUSINESS OPPORTUNITY**

Guided Interpretive Backcountry Vehicle Tours

CANYONLANDS AND ARCHES NATIONAL PARKS

National Park Service  
Intermountain Region

Solicitation No. CC-CANY0XX-14

Covering Contracts:

CC-CANY022-14

CC-CANY024-14

CC-CANY025-14

## TABLE OF CONTENTS

<b>INTRODUCTION.....</b>	<b>1</b>
THE NATIONAL PARK SERVICE AND ITS MISSION .....	1
CANYONLANDS NATIONAL PARK AND ITS MISSION .....	2
ARCHES NATIONAL PARK AND ITS MISSION .....	2
<b>MARKET AREA OVERVIEW.....</b>	<b>3</b>
<b>CANYONLANDS AND ARCHES NATIONAL PARK .....</b>	<b>3</b>
<b>PARK VISITATION .....</b>	<b>7</b>
<b>EXISTING CONCESSION OPERATIONS .....</b>	<b>9</b>
<b>FUTURE OPERATIONS .....</b>	<b>10</b>
<b>FINANCIAL AND OPERATING DATA.....</b>	<b>10</b>
HISTORICAL GROSS REVENUE .....	10
VISITOR USE STATISTICS .....	11
<b>INVESTMENT ANALYSIS .....</b>	<b>11</b>
LEASEHOLD SURRENDER INTEREST .....	11
PERSONAL PROPERTY AND INVENTORY USED IN EXISTING CONCESSION OPERATIONS .....	11
SUMMARY OF ESTIMATED REQUIRED INITIAL INVESTMENT .....	11
<b>PREFERRED OFFEROR DETERMINATION .....</b>	<b>11</b>
<b>FRANCHISE FEES .....</b>	<b>11</b>
<b>TERM AND EFFECTIVE DATE OF DRAFT CONTRACT .....</b>	<b>12</b>
<b>SITE VISIT.....</b>	<b>12</b>



## INTRODUCTION

The National Park Service ("Service" or "NPS") intends to award three concession contracts in Canyonlands and Arches National Parks (Area) to provide guided backcountry vehicle tours. This Prospectus describes in general terms the existing business operations and the future business opportunities for the services required by the Service. Offerors must review all sections of this Prospectus and, specifically, the terms and conditions of the Draft Concession Contract CC-CANY0XX-14 ("Draft Contract"), including its exhibits, to determine the full scope of a future concessioner's responsibilities under the Draft Contract.

The Service is conducting this solicitation in accordance with the National Park Service Concessions Management Improvement Act of 1998 (Public Law 105-391) as implemented by the Service in 36 C.F.R. Part 51. The term "Concessioner" as used in this Prospectus refers to the entity that will be the Concessioner under the Draft Contract. The term "Existing Concessioner" refers to the entity that currently provides services under the existing concession contract ("Existing Contract").

In the event of any inconsistency between the terms of this Prospectus and 36 C.F.R. Part 51, Part 51 of Title 36 will prevail. In the event of any inconsistency between the description of the terms contained in this Prospectus and the Draft Contract itself, the terms of the Draft Contract will prevail.

## THE NATIONAL PARK SERVICE AND ITS MISSION

In 1916, President Woodrow Wilson approved legislation creating the Service within the Department of the Interior. That legislation stated that Congress created America's National Park Service to:

*...conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations. (16 U.S.C. § 1)*

Additionally, Congress declared that the National Park System should be:

*...preserved and managed for the benefit and inspiration of all the people of the United States. . . (16 U.S.C. §1a-1)*

The Service has as its overall mission the preservation and public enjoyment of significant aspects of the nation's natural and cultural heritage. To learn more about the National Park Service, visit [www.nps.gov](http://www.nps.gov). This site includes information about the Service's mission, policies, and information on individual park units.



**Chocolate Drops - Canyonlands National Park**  
**Source: National Park Service**



## CANYONLANDS NATIONAL PARK AND ITS MISSION

Canyonlands National Park is high desert terrain trisected by the junction of the Green and Colorado Rivers. Its 337,570 acres of arid and barren land are a wilderness of countless canyons and fantastically formed buttes carved by the Colorado River and its tributaries. The elevation of the land surface lies between 4,500 and 5,500 feet on the benches and between 5,500 and 6,500 feet on the rims.

The park is divided into three districts by the Green and Colorado Rivers. The Needles District is east of the Colorado River. The Island in the Sky District is between the two rivers. The Maze District is west of the Green River and Cataract Canyon of the Colorado River. Horseshoe Canyon, a detached unit just west of the main park, is administered as part of the Maze District.

Since there are no bridges over the rivers, the districts are not connected directly to each other by road. Within each district one can enter the park at one point and exit at another, but only by using backcountry vehicle roads, hiking routes, or stock trails.

Backcountry roads require the use of four-wheel drive vehicles. The Island in the Sky District of the park contains approximately 108 miles of four-wheel drive roads; most of that being the well-known White Rim Trail. The Needles District contains 55 miles of four-wheel drive roads. The Maze District contains 109 miles of four-wheel drive roads of which 18 are actually in the Maze District. The remaining roads are located in the adjacent Orange Cliffs Unit of Glen Canyon National Recreation Area which is managed by Canyonlands National Park.

The heat and aridity can make conditions hazardous for backcountry tours. The backcountry routes over which the concessioners may operate are maintained only to minimum standards and are subject to flash flood, intermittent quicksand holes, and other hazards, at any time.

The Act of September 12, 1964 (78 Stat. 934, 16 U.S.C. § 271) established Canyonlands National Park "to preserve an area....possessing superlative scenic, scientific, and archeological features for the inspiration, benefit and use of the public...." The Canyonlands backcountry is significant as one of the last, large, relatively undisturbed areas within the scenic heart of the Colorado Plateau. The whole area presents the scenery of erosion. Additional information on Canyonlands National Park can be found at [www.nps.gov/cany](http://www.nps.gov/cany)

## ARCHES NATIONAL PARK AND ITS MISSION

Arches National Park is in the high desert country of southeastern Utah, part of the Colorado Plateau. Lying entirely within Grand County, and 5 miles north of Moab, Utah, the park contains 76,519 acres. Sandstone canyon walls, slick rock terraces, towering monoliths, and intricately eroded arches dominate the landscape. Arches National Park preserves more than 2,000 natural sandstone arches, including the world-famous Delicate Arch, in addition to a variety of unique geological resources and formations. The extraordinary features of the park, including balanced rocks, fins and pinnacles, are highlighted by a striking environment of contrasting colors, landforms and textures. Elevations range from 4,500 feet near the park entrance to nearly 6,000 feet in the Elephant Butte Area.

Access to many features in Arches National Park is readily available via two-wheel drive roads and many park visitors are able to enjoy the park without the services of commercial tour operators. An unpaved route through Salt Valley is a two-wheel drive road. There are only two backcountry roads in Arches. One runs south of and parallel to the Salt Valley Road and is approximately 11 miles long; the other runs east and west through Willow Flats between the paved park road and U.S. Highway 191 and is about five miles long before it exits the park.

The original proclamation, No. 1875, of April 12, 1929, establishing Arches National Monument states that the purpose of the Monument is to "protect extraordinary examples of wind erosion in the form of gigantic arches, natural bridges, windows, spires, balanced rocks, and other wind worn sandstone formations, the preservation of which is desirable because of their educational and scenic value." When the Monument was enlarged in 1938, the wording also included "prehistoric structures" of historic and scientific interest.

Arches National Park is significant in that it contains the greatest concentration of natural stone arches in the country, with examples of developing, complete, and collapsed arches. There are nearly 2000 openings in



the park that would qualify as arches by most definitions. The park contains cultural resources, many of which are listed on, or are eligible for the National Register of Historic Places.

## MARKET AREA OVERVIEW

### UTAH TOURISM MARKET

There were 20.2 million non-resident visitors to Utah in 2010, up 4.1% from the previous year, resulting in \$6.5 billion in direct expenditures<sup>1</sup>. As in previous years, National Parks were the most popular destinations with 6.32 million visitors. Most visited places were Zion National Park (2.83 million visitors), Bryce Canyon National Park (1.04 million visitors), and Canyonlands and Arches National Parks (1.51 million visitors combined). A majority of Utah visitors (75%) come from the Western United States with California, Colorado, and Idaho the top markets<sup>2</sup>.

### LOCAL MARKET AREA: MOAB, UTAH

Moab, Utah is home to Arches and Canyonlands National Parks. Moab is at the center of some of the most stunning red rock landscapes on earth. Moab's unique combination of beautiful scenery and the cool waters of the Colorado and Green River make it one of the most sought after outdoor recreation destinations in the southwest. Moab has a short, mild winter and a long, moderate spring. The spring and fall are the most pleasant times of year with an average high of 79 degrees Fahrenheit in April and 74 degrees Fahrenheit in October. The average annual precipitation in Moab is 9 inches.

Moab is only 5 miles from Arches National Park and less than an hour's drive from Canyonlands National Park, making this a popular year-round tourist destination. Moab lies in the heart of the Colorado Plateau and thousands of square miles of colorful canyons, mesas and buttes offer world famous mountain biking, hiking, four wheel driving and river rafting. Arches National Park with the world's largest concentration of natural sandstone arches and Canyonlands National Parks, the largest national park in the state of Utah, attract visitors throughout the year with the peak visitation during the May through September period.

A number of companies and organizations located in Moab area offer an array of outdoor activities including guided 4-Wheel Drive part-day, full-day or multi-day tours, calm water river tours, and whitewater raft trips. These commercial activities take place under permit on Bureau of Land Management lands and are authorized in Canyonlands and Arches National Park under concession contracts.

## CANYONLANDS AND ARCHES NATIONAL PARK

Located in southeast Utah, Canyonlands and Arches National Parks are west of Grand Junction, CO, south of Salt Lake City, UT, and north of Glen Canyon National Park. By car, these two cities are at least two and four hours (respectively) from the entrance to Canyonlands National Park. **Exhibit 1** shows a map of the park. Canyonlands is open year-round, 24 hours a day. Each district has its own visitor center with operating hours that differ depending on the season. The Island in the Sky visitor center issues backcountry permits and is generally open 9:00 AM to 4:00 PM with extended hours from spring through fall.

Arches National Park is located 5 miles north of Moab, Utah. **Exhibit 2** provides a map that illustrates the proximity of the Park to Moab. The Park is open year-round; the visitor center is open daily 9 AM to 4:00 PM, with extended hours from spring through fall.

Conditions in the winter months preclude most vehicle tour opportunities and as such, most commercial services operate primarily between April and October.

<sup>1</sup> Source: State of Utah Office of Tourism Profile 2011

<sup>2</sup> Source: 2011 Utah Tourism at a Glance, Utah Governor's Office of Planning and Budget





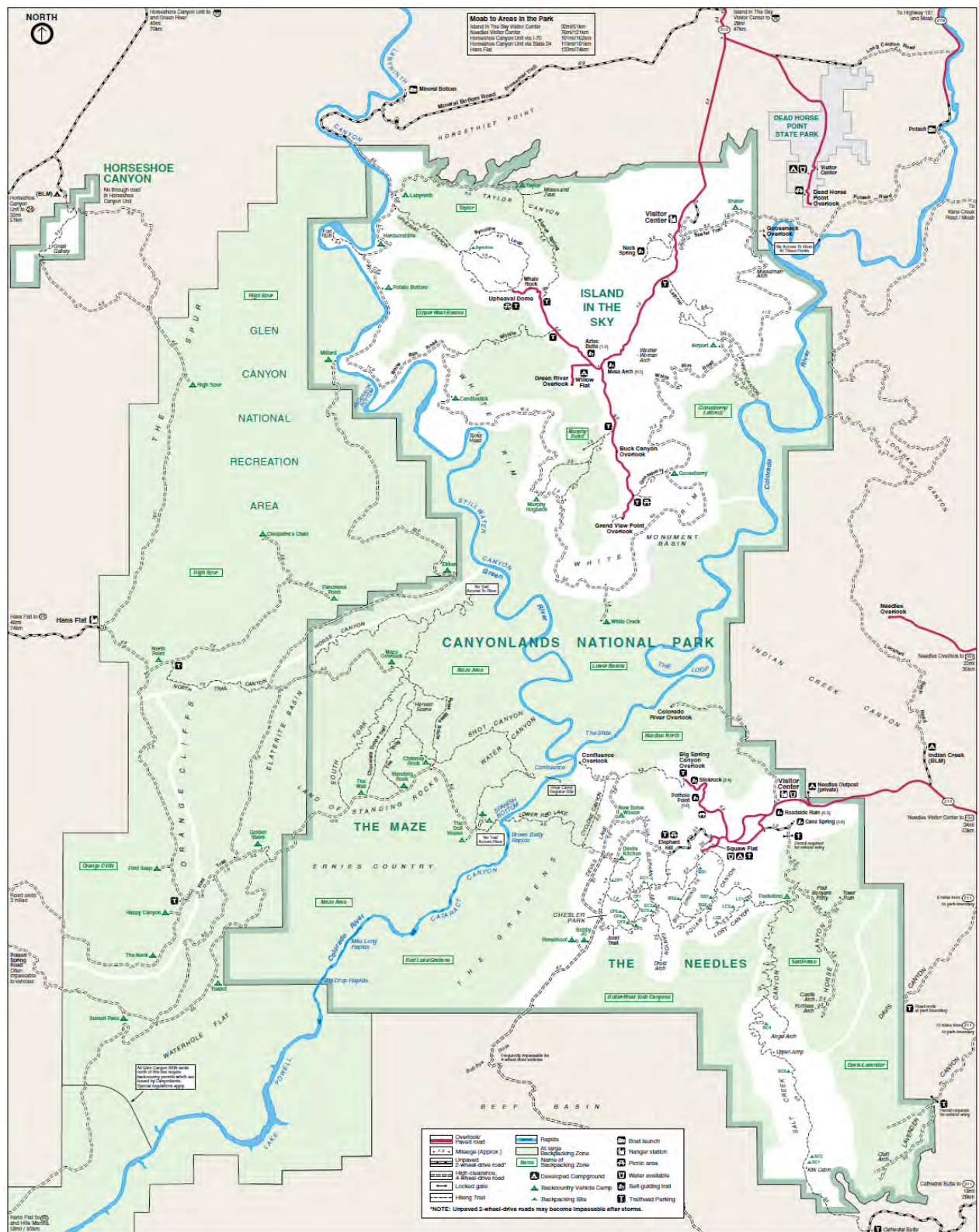
**Delicate Arch – Arches National Park**  
**Source: National Park Service**



**Elephant Canyon – Canyonlands National Park**  
**Source: National Park Service**



## Exhibit 1 – Canyonlands National Park



**Source: National Park Service**



## Exhibit 2 – Arches National Park



**Source: National Park Service**

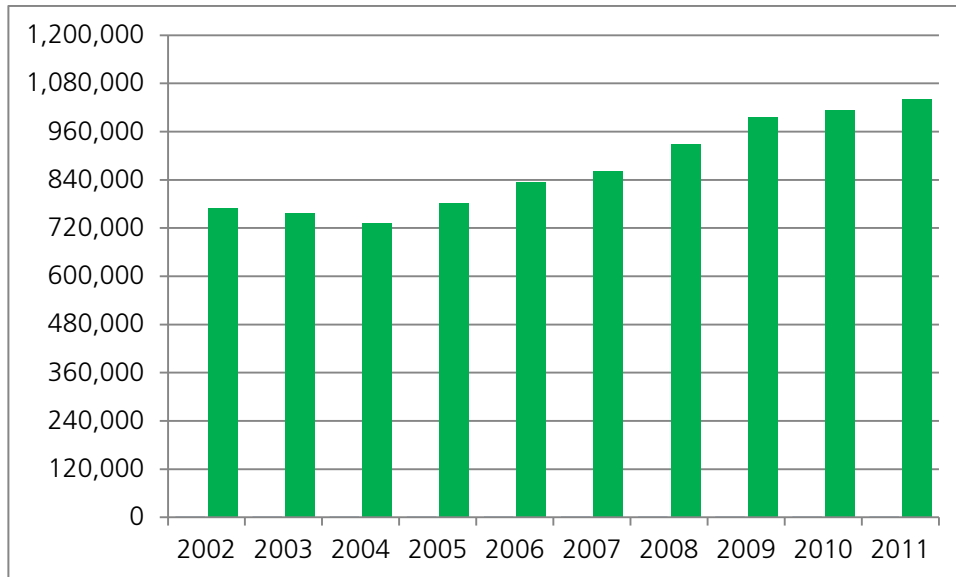




## PARK VISITATION

**Exhibit 3** depicts recreation visitation to Arches National Park from 2002 through 2011. Average visitation to the Park over the last ten years has been approximately 900,000 visitors with the lowest visitation of 733,131 reported in 2004 to the highest visitation of 1,040,758 reported in 2011.

**Exhibit 3 - Arches National Park Visitation: 2002 through 2011**

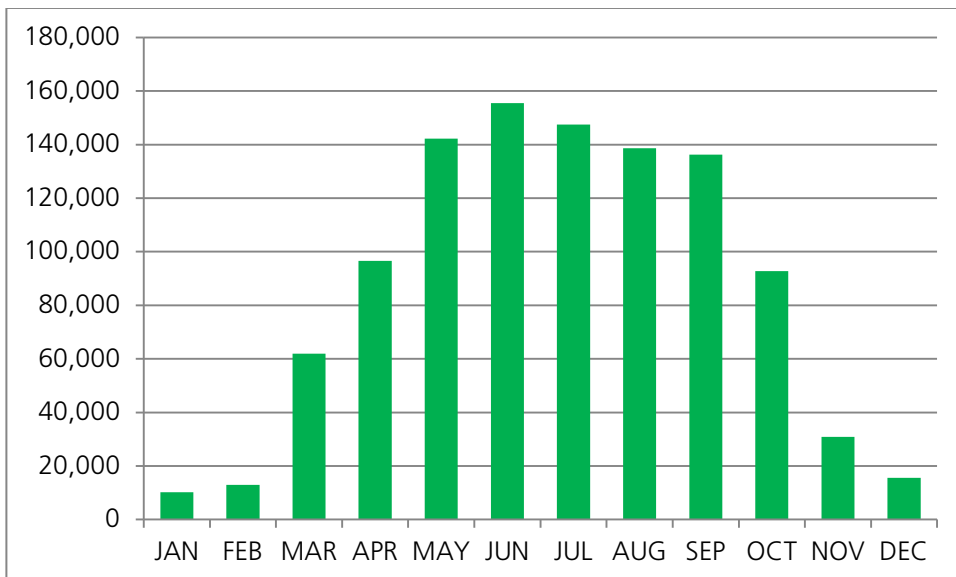


Source: National Park Service

Visitation to the Park is seasonal. Peak season runs from approximately May through September, low or winter season from November through March, with April and October considered the shoulder seasons.

**Exhibit 4** presents Arches National Park visitation by month for 2011.

**Exhibit 4 – Arches National Park 2011 Park Visitation**

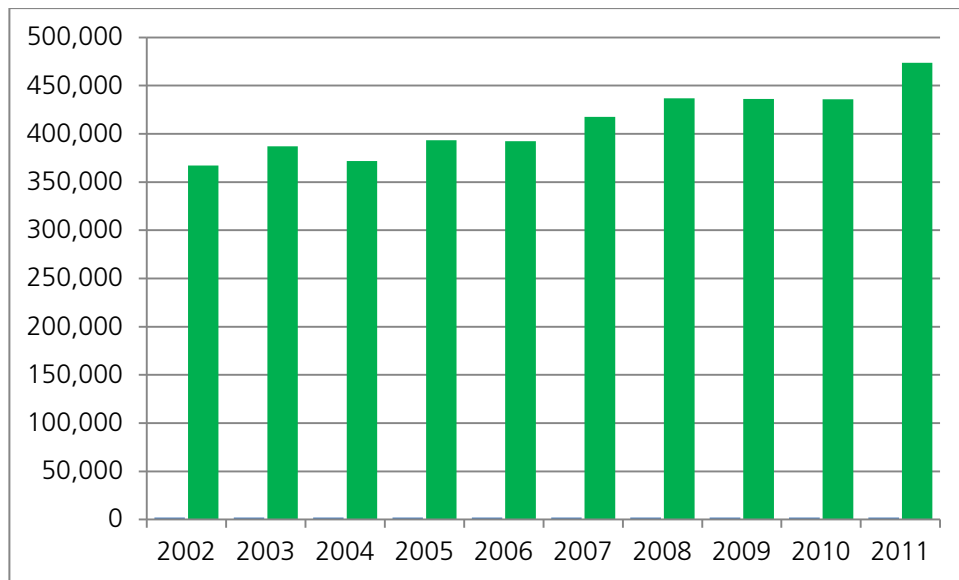


Source: National Park Service



**Exhibit 5** depicts recreation visitation to Canyonlands National Park from 2002 through 2011. Average visitation to the Park over the last ten years has been approximately 400,000 visitors with a steady increase in visitation from 367,078 reported in 2002 to the highest visitation of 473,773 reported in 2011.

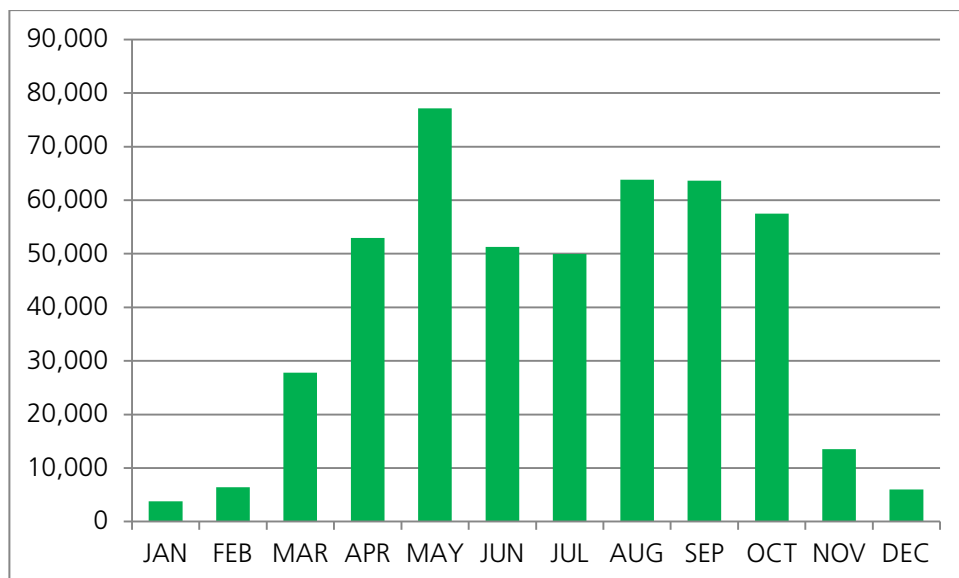
**Exhibit 5 – Canyonlands National Park Visitation: 2002 through 2011**



Source: National Park Service

Visitation to Canyonlands National Park is highly seasonal. Peak season runs from approximately May through September, low or winter season from November through March, with April and October considered the shoulder seasons. **Exhibit 6** presents Park visitation by month for 2011.

**Exhibit 6 – Canyonlands National Park 2011 Park Visitation**



Source: National Park Service



## EXISTING CONCESSION OPERATIONS

Guided backcountry vehicle tours are currently being provided by OARS Canyonlands, Inc. (CC-CANY022-04); Niskanen & Jones, Inc., doing business as Tag-A-Long Expeditions (CC-CANY024-04); and NAVTEC Expeditions, Inc. (CC-CANY025-04). These Concession Contracts were effective beginning January 1, 2004, and will expire on December 31, 2013. The existing Contracts provide for one day guided interpretive backcountry vehicle tours in Arches National Park, one or multiple day guided interpretive backcountry vehicle tours in Canyonlands National Park and backcountry cargo hauling services in Canyonlands National Park. A summary of the current Required and Authorized Services is detailed in **Exhibit 7** below.

### Exhibit 7 - Existing Required and Authorized Concession Services

Contract	Existing Concessioner	Required Services	Minimum Operating Season
CC-CANY022-04	OARS	One day guided backcountry vehicle tours in Arches National Park and one day or multiple day guided backcountry vehicle tours in Canyonlands National Park.	None
CC-CANY024-04	Tag-A-Long Expeditions	One day guided backcountry vehicle tours in Arches National Park and guided interpretive backcountry vehicle tours in Canyonlands National Parks, limited to operating from Potash Road to White Rim Road.	None
CC-CANY025-04	NAVTEC	One day guided backcountry vehicle tours in Arches National Park and one day or multiple day guided backcountry vehicle tours in Canyonlands National Park.	None
Contract	Existing Concessioner	Authorized Services	Minimum Operating Season
CC- CANY022-04	OARS	Backcountry cargo hauling services in Canyonlands National Park	None
CC- CANY024-04	Tag-A-Long Expeditions	None	None
CC- CANY025-04	NAVTEC	Backcountry cargo hauling services in Canyonlands National Park	None

Source: National Park Service

### CURRENT APPROVED RATES FOR REQUIRED SERVICES

The methodologies used by the Service to determine the reasonableness and appropriateness of rates and charges are set out in the National Park Service Concession Management Rate Approval Guide (July 2010), a copy of which is included as an Appendix to this Prospectus. Rates for the Existing Concession Contracts are based on Competitive Market Declaration.





*Tire Tracks in Canyonlands National Park*

## FUTURE OPERATIONS

The required and authorized services for the Draft Contracts are listed below. As stated in the Introduction on Page 1, the Service intends to award three contracts under this Prospectus. Each contract will have a separate Concession Contract ID (CONCID) number. The visitor services to be provided are generally the same as under the current concession contract, although there has been a slight change in which services will be required or authorized in future operations under the Draft Contract, as shown in Exhibit 8 below. The services provided under the draft Concession Contract will be provided on a daily basis during the visitor use season as outlined in the Operating Plan, which is Exhibit B to the draft Concession Contract.

### Exhibit 8 – Draft Contract Required and Authorized Services

Contract ID	Required Services	Minimum Operating Season
CC- CANY022-14	One day guided backcountry vehicle tours in Arches and Canyonlands National Parks.	None
CC- CANY024-14	One day guided backcountry vehicle tours in Arches and Canyonlands National Parks.	None
CC- CANY025-14	One day guided backcountry vehicle tours in Arches and Canyonlands National Parks.	None
Contract ID	Authorized Services	Minimum Operating Season
CC- CANY022-14	Multiple day guided backcountry vehicle tours in Canyonlands National Park. Backcountry cargo hauling services in Canyonlands National Park.	None
CC- CANY024-14	Multiple day guided backcountry vehicle tours in Canyonlands National Park. Backcountry cargo hauling services in Canyonlands National Park.	None
CC- CANY025-14	Multiple day guided backcountry vehicle tours in Canyonlands National Park. Backcountry cargo hauling services in Canyonlands National Park.	None

## CANYONLANDS NATIONAL PARK BACKCOUNTRY MANAGEMENT PLAN

The Canyonlands National Park Backcountry Management Plan (BCMP) is the formal plan for management of the backcountry within Canyonlands National Park. The BCMP, after public review and input on issues such as camping group size, solitude, impacts on natural and cultural resources, trail and vehicle access, etc., was revised and implemented in February 1995. Results of this revision have affected the scope and manner in which commercial backcountry tours of all types are offered and conducted. See Appendix 11 for the Canyonlands National Park Backcountry Management Plan.

The Canyonlands National Park BCMP defines backcountry as all lands in the area except, (1) two-wheel drive roads (paved or dirt surfaces) and their adjacent shoulders, ditches, and culverts, (2) administrative buildings





and their immediate surroundings, and (3) the Squaw Flat and Willow Flat Campgrounds. The following areas are approved for backcountry vehicle tours in Canyonlands National Park under the Draft Contract:

(a) Island in the Sky

- All unpaved four wheel drive roads and the Shafer Trail below the Shafer day use parking area.

(b) Maze and Orange Cliffs Unit

- All unpaved four wheel drive roads.

(c) Needles District

- All unpaved four wheel drive roads.

Concessioners are required to comply with the terms of the Canyonlands National Park BCMP and any future revisions of this plan that might occur during the term of the concession contracts. During the course of the new concession contracts, park management intends to review impacts of day use on backcountry roads within Canyonlands National Park that were not previously addressed in the Backcountry Management Plan which may result in future limitations for all backcountry users.

## FINANCIAL AND OPERATING DATA

The Proposal Package requires Offerors to develop financial projections based on the services required under the Draft Contract. In order to assist Offerors in the development of these projections, information regarding historical gross revenue and visitor use are presented below. Offerors should be appropriately cautious in the use of historical information. The National Park Service will not provide financial predictions; therefore, Offerors are responsible for producing their own pro forma financial projections and relying upon their own financial predictions. Offerors should read the entire prospectus carefully, including the Draft Contract and all its exhibits as some requirements from the Existing Contracts may have changed, specifically, note the minimum insurance requirement levels outlined in Exhibit D, Insurance Requirements.

### HISTORICAL GROSS REVENUE

Historical annual gross revenue for the past three seasons is listed in **Exhibit 9** below.

**Exhibit 9 - Annual Gross Revenue, 2009 through 2011 Operating Seasons**

Contract	Existing Concessioner	2009	2010	2011
CC- CANY022-04	OARS Canyonlands, Inc.	\$4,788	\$8,208	\$3,762
CC- CANY024-04	Tag-A-Long Expeditions	\$212,278	\$247,716	\$230,577
CC- CANY025-04	NAVTEC Expeditions, Inc.	\$22,852	\$30,361	\$43,084

Source: National Park Service

### VISITOR USE STATISTICS

**Exhibit 10** below presents historical annual backcountry multiple day vehicle tours (required service) for the existing Concessioners for the past six years. Please note that the data reported does not indicate the length of the specific trip.

**Exhibit 10 – Annual Guided Backcountry Multiple Day Trips in Canyonlands National Park**

	2007	2008	2009	2010	2011	2012
Existing Concessioner	Back-Country	Back-Country	Back-Country	Back-Country	Back-Country	Back-Country



	Vehicle Tours	Vehicle Tours	Vehicle Tours	Vehicle Tours	Vehicle Tours	Vehicle Tours
CC- CANY022-04	7	9	5	5	5	N/A
CC- CANY024-04	434	522	387	376	350	N/A
CC- CANY025-04	61	63	69	83	95	N/A

Source: National Park Service

**Exhibit 11** below presents historical annual single day vehicle tours (required service) for the existing Concessioners for the past three years. Please note that the data reported does not indicate the length of the specific trip.

#### **Exhibit 11 – Annual Guided Vehicle Day Trips in Arches and Canyonlands National Parks**

	2010	2011	2012
Existing Concessioner	Vehicle Tours Total DayTrips	Vehicle Tours Total DayTrips	Vehicle Tours Total DayTrips
CC- CANY022-04	41	48	76
CC- CANY024-04	3033	2989	1314
CC- CANY025-04	190	452	2017

Source: National Park Service

## **INVESTMENT ANALYSIS**

### **LEASEHOLD SURRENDER INTEREST**

Leasehold Surrender Interest is a compensable interest in real property and real property improvements. The existing Concessioners have no Leasehold Surrender Interest since no government owned facilities or structures are assigned in the parks for concessioners' use. As such, there will be no Leasehold Surrender Interest in the new Contracts.

### **INSURANCE**

The minimum Insurance requirements are included in Exhibit D of the Draft Contract. Concessioners must provide Commercial General Aggregate Liability in the amount of \$2,000,000 and Combined Single Limit Automobile Liability for each accident in the amount of \$1,500,000. Offerors should consider the cost of obtaining and maintaining the minimum insurance requirements in preparing their proposals. Insurance coverage under the existing Concession Contracts requires \$500,000 in Commercial General Aggregate Liability and \$1,500,000 in automobile liability.

### **PERSONAL PROPERTY AND INVENTORY USED IN EXISTING CONCESSION OPERATIONS**

The existing Contracts do not require the existing Concessioners to sell any personal property, merchandise (inventory), or supplies used in the operation to a new Concessioner. However, a new operator will be required to provide such equipment, personal property, and inventory necessary for the proper and efficient operation of Contract requirements. The Service estimates, at a minimum, a new Concessioner would need \$55,000 in Personal Property (including one four-wheel drive vehicle) in order to start operations. Offerors should not rely on NPS estimates in preparing and submitting proposals in response to this Prospectus and should develop their own determination of necessary personal property, merchandise and supplies needed for use in the operation.



**START-UP EXPENSES**

Prior to, and just following inception of the Draft Contract, the new Concessioner will need to make a one-time investment in a range of activities to enhance operations. These activities include staff recruitment, training, IT implementation, legal and administrative support services, marketing and advertising beyond normal annual expenditures, and operating supplies. An NPS estimate of the investment the new Concessioner will need to make in Start-Up costs is, at a minimum, \$12,000. Offerors should not rely on NPS estimates in preparing and submitting proposals in response to this Prospectus and should develop their own determination of necessary start-up expenses.

**SUMMARY OF ESTIMATED REQUIRED INITIAL INVESTMENT**

The Concessioners will incur start-up costs prior to commencing operations and will need to provide working capital and personal property, supplies, and inventory as discussed above. The NPS estimates a total of \$67,000, at a minimum, would be necessary for initial investment. Offerors must make their own determination of the initial investment required to support the Required Services of the Draft Contract.

**PREFERRED OFFEROR DETERMINATION**

The Service, pursuant to the terms of 36 Code of Federal Regulations (C.F.R.) Part 51, has determined that two of the three existing Concessioners are qualified contracts. The Service has determined that Niskanen & Jones, Inc., doing business as Tag-A-Long Expeditions, does not have Preferred Offeror status. Only existing Concessioners, OARS Canyonlands, Inc. and NAVTEC Expeditions, Inc. are Preferred Offerors for the new Contracts. All interested parties, including existing Concessioners, must submit a responsive proposal to this Prospectus to be considered for award of the Contract. If an existing Concessioner with Preferred Offeror status submits a responsive proposal and that proposal is not selected as the best proposal, the Preferred Offeror designation allows it to match the terms of the best offer and be awarded the Contract.

**FRANCHISE FEES**

The minimum franchise fee will be equal to three percent (3.0%) of the Concessioner's annual gross receipts or a flat fee of \$500, whichever is higher, each year for the term of the Draft Contract. However, Offerors may propose a higher minimum franchise fee, as described more fully in the Proposal Package (included in Tab 3 of this Prospectus).

**TERM AND EFFECTIVE DATE OF DRAFT CONTRACT**

The term of the Draft Contract will be for ten (10) years with an estimated beginning date of January 1, 2014. The effective date of the Draft Contract is subject to change prior to award if determined necessary by the Service. In such an event, the expiration date of the Draft Contract will be changed to continue the same term length from any adjustment to the effective date.

**SITE VISIT**

No Concession Facilities are associated with the contracts; therefore, no site visit will be conducted.



**Spires of Cedar Mesa sandstone (Needles District) – Canyonlands National Park**  
**Source: National Park Service**

